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RUEHBU/AMEMBASSY BUENOS AIRES 4780  
RUEHCV/AMEMBASSY CARACAS 2032  
RUEHPE/AMEMBASSY LIMA 2103  
RUEHME/AMEMBASSY MEXICO 1928  
RUEHMN/AMEMBASSY MONTEVIDEO 4230  
RUEHQT/AMEMBASSY QUITO 4669  
RUEHSG/AMEMBASSY SANTIAGO 9254  
RUEHSO/AMCONSUL SAO PAULO 2067  
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TAGS: [ECON](#) [EINV](#) [ENRG](#) [EPET](#) [BL](#)  
SUBJECT: CONGRESS APPROVES HYDROCARBONS CONTRACTS

REF: A. LA PAZ 3080

[1](#)B. LA PAZ 1157

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Senate Approves Gas Contracts  
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[1](#)1. (SBU) The senate approved the 44 new hydrocarbons contracts that were signed with private production and exploration companies at the end of October (ref A) late on November 28. Only 14 of the 27 senators were present, as the opposition had abandoned the session in protest over the GOB's conflictive land reform bill, which was also approved on the 28th (septel). Company representatives indicated that although they were not pleased with the government's tactics leading up to the signing of the new contracts, they are satisfied with the contracts, and hopeful that they will provide sufficient legal security to enable investments now that they have been approved by congress.

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GOB Seeks Majority Ownership of Transredes  
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[1](#)2. (SBU) President Morales announced on November 28 that he had met with Shell during his trip to the Netherlands and convinced the company to sell some of its shares in partially U.S.-owned Transredes to Bolivia's state oil company YPFB. The sale would enable YPFB to gain majority ownership of the Bolivian pipeline operator that is 25 percent-owned by Shell, in line with the GOB's May 2006 nationalization decree (ref B). A Transredes executive told Econoff on November 29, however, that the company had received neither official nor extra-official notification of such an agreement.  
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